



3000 Temple Drive
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To: **Eduardo Cano**
Director of Purchasing
JAC Products

March 13, 2025

Lisa Liu
Commodity Buyer
JAC Products

Hello Eduardo and Lisa,

I am writing you in follow-up to my letter of March 6, 2025, regarding the cumulative 20% increase of Tariffs on Chinese imports. On February 4, 2025, the first 10% increase was levied and on March 4, 2025, the second was added. As I have been reporting since last month, Pangeo has been bearing the expense to maintain product flow for JAC and your final customer GM. Pangeo cannot continue to ship and pay for these increases without your updated P.O.

Pangeo requires **full resolution** of this matter by March 31, 2025, to guarantee continued product flow.

Full resolution includes:

- 1) Retroactive Tariff payment for shipments we have made dating from February 4, 2025.
As of March 12, 2025, we paid \$23,937.23 on 346,224 pcs. See attached detail file.
- 2) Updated P.O.s showing the new pricing as follows:

Part number	Terms	Pangeo Selling Price without Shipping before Feb 3. 2025	Pangeo Selling Price without Shipping after Feb 3. 2025	Pangeo Selling Price without Shipping after March 4 2025
28818	FOB JAC in US	\$	\$	\$
28819	FOB JAC in US	\$	\$	\$
28820	FOB JAC in US	\$	\$	\$
28821	FOB JAC in US	\$	\$	\$
28829	FOB JAC in US	\$	\$	\$
28842	FOB JAC in US	\$	\$	\$
28843	FOB JAC in US	\$	\$	\$
28844	FOB JAC in US	\$	\$	\$
28956	FOB JAC in US	\$	\$	\$

Going forward, as an alternative solution to soften the impact of the tariffs and reduce value stream costs, Pangeo would like to offer the following option.

By changing to FOB Pangeo's dock in the Greater Toronto Area (GTW), Pangeo would accept a lower base piece-price as our selling price (e.g. for PN 28818 this would be \$0.5021) and then JAC would pay the tariffs directly. This results in a much lower effective price to JAC of \$0.7435 as opposed to \$0.9643. JAC would also assume the logistics costs and relieve Pangeo of the back-billing. Please see the attached Proposal File.

I will schedule a meeting with you to discuss this option and review any questions.

EXHIBIT 4



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Regards,

A handwritten signature in black ink that reads "Mark Schulte".

Mark Schulte
Sales Manager
Pangeo Group